

IN THE SENATE OF THE UNITED STATES.

MAY 11, 1896.—Ordered to be printed.

Mr. GALLINGER (for Mr. McMILLAN), from the Committee on the District of Columbia, submitted the following

REPORT:

[To accompany S. 3008.]

The Committee on the District of Columbia, to whom was referred the bill (S. 3008) authorizing the employment of day labor in the construction of certain municipal buildings and works in the District of Columbia, make a favorable report thereon.

The history of this bill is of value in determining its merits. On January 8, 1896, the junior Senator from Massachusetts (Mr. Lodge) introduced a bill (S. 1417) to regulate the employment of labor on public buildings and public grounds belonging to the District of Columbia. This bill being referred to the District Commissioners for examination and report, that Board reported as follows:

OFFICE OF COMMISSIONERS OF THE DISTRICT OF COLUMBIA,  
*Washington, January 31, 1896.*

DEAR SIR: The Commissioners recommend adverse action on Senate bill 1417, "To regulate the employment of labor on public buildings and public grounds belonging to the District of Columbia," which was referred to them at your instance for their views thereon. The Commissioners are of the opinion that public works under their charge should, as a rule, and for the public interests, be executed by contract after public notice inviting proposals; that for application in exceptional cases they should have discretion as to the manner of executing public works. The existing law, section 5 of "An act providing a permanent form of government for the District of Columbia," approved June 11, 1878 (U. S. Stat., vol. 20, p. 105) contemplates that all District works, whose total cost exceeds \$1,000, should be let to contract on the lowest responsible proposal after public advertisement.

Very respectfully,

JOHN W. ROSS,

*President Board of Commissioners, District of Columbia.*

Senator JAMES McMILLAN,

*Chairman Committee on the District of Columbia, United States Senate.*

Subsequently the Committee on the District of Columbia gave a hearing to persons representing what may be called the labor interests of the District, at which hearing Mr. E. M. Blake, of the United States Bureau of Labor, submitted the following statement:

GENTLEMEN OF THE SUBCOMMITTEE: While I appear as the representative of an organization of workingmen, the good this measure will do the workingmen is so obvious that I will not waste the time of the committee by discussing it at length,

but confine myself to the presentation of some facts and reasons in support of the bill as a measure to promote the general public welfare.

The contract system as applied to public works has continued to exist in this country despite the examples constantly afforded to prove its wastefulness and its demoralizing character. This persistency of a vicious system may be accounted for on the ground that in its favor is enlisted the active and influential interest of those who greatly profit by it directly or indirectly and who are always ready to champion it loudly; while opposed to it are the interests of the community at large, slow to awake to the iniquities of a system that has been endured so long and which seldom finds a champion, and of the workmen whose appeal has been made so often that ears are dull to it.

I have not the slightest doubt that if Congress shows a disposition to give serious consideration to this measure the opposition to it will be strongly in evidence in the form of paid attorneys and lobbyists, while in its favor will appear only men, who, like the committee I represent, impelled by a sense of right and justice, give their time to what they believe to be a good cause, without compensation and at serious inconvenience and often actual loss to themselves.

#### THE AQUEDUCT TUNNEL.

It can safely be asserted that all the corruption in city governments which has been so great a scandal to our country has been closely identified with the contract system. One need not go away from Washington or extend his review over a long period of time to find examples which, if we were not as a people so wedded to our iniquities, would have resulted in an immediate abandonment of so ruinous and disgraceful a public practice.

A most glaring instance is the Aqueduct Tunnel, which, after millions had been expended upon it, was found worthless because of the scamped work done by contractors who could not resist the temptation to fraud. The constant discoveries of botched work in public buildings and on public works of all kinds afford abundant testimony that the public, though paying the highest prices, gets the cheapest work. Every summer witnesses ridiculous and ineffectual efforts on the part of the District authorities to secure the proper performance of the garbage contracts, yet yearly the same process is repeated, and the system so generally condemned in the summer manages to get a new lease of life in winter, when appropriation bills are drawn up.

Another reason, perhaps, for the remarkable persistence of the contract system is that ease-loving municipal officers, appointed for short terms, are naturally disinclined to make changes in methods of doing public business when they can get along without discredit to themselves and without the labor and vexations incident to new undertakings by keeping along the lines approved by the practice of their predecessors and the seeming acquiescence of the public.

In the District, however, the contract system continues to exist by Congressional command. Positive legislation is required to change the system employed by the District government, because the organic law positively forbids municipal officers, whether they are so inclined or not, to give the public the benefit of the economy and better service to be secured through the days'-work system.

#### THE LAW OF 1878.

At the time the organic law of the present District government was enacted in 1878, the contract system prevailed everywhere, and under its influence Congress inserted the following clauses in the law:

1. "That hereafter whenever any repairs of streets, avenues, alleys, or sewers within the District of Columbia are to be made, or when new pavements are to be substituted in the place of those worn out, new ones laid, or new streets opened, sewers built, or any work the total cost of which shall exceed the sum of one thousand dollars, notice shall be given in one newspaper in Washington, and if the total cost shall exceed five thousand dollars, then in one newspaper in each of the cities of New York, Philadelphia, and Baltimore, also for one week, for proposals, with full specifications as to material for the whole or any portion of the works proposed to be done.

2. "And the lowest responsible proposal for the kind and character of pavement or other work which the Commissioners shall determine upon shall in all cases be accepted:

3. "Provided, however, That the Commissioners shall have the right, in their discretion, to reject all of such proposals."

(Act approved June 11, 1878.)

It is impossible to estimate how much the Treasury has lost by unnecessary outlay, or how much the people have suffered because of inferior work, on account of that law.

It is confidently believed by the organization I have the honor to represent here that a fair consideration by your committee, generally of the questions and principles involved in this bill and especially of the application of the principles to public works under the District government, will gain your approval of the measure. If the members of your honorable committee are convinced that by the system proposed in lieu of the contract system the public will get more and better work for the money expended, they can not, it seems to me, fail to approve the measure.

#### THE CONTRACT SYSTEM ENCOURAGES FRAUD.

If they are led to believe that the contract system is conducive to fraud, with all its demoralizing effects upon public and private life, and that it lowers the standard of living among working people, making their labor material for speculation among contractors, public duty, it seems to me, requires them to condemn, on moral grounds, a practice that has so many evils in its train.

#### REASONS FOR THE PROPOSED LEGISLATION.

This measure, then, I urge before your committee—

First. Because the system proposed by the bill is cheaper than the contract system, and hence is commended by considerations of economy.

Second. Because it will rid the public service of the many scandals growing out of the contract system.

Third. Because it will institute a system of competition in quantity and quality and not in price and thus secure for the public better work for the money expended.

As to the economy of the proposed system, I speak confidently because it is not a new and untried system. Many communities in this country have already municipalized their gas and electric lighting services, greatly to the benefit of the public, both in the matter of the improvement of the service and in that of saving public funds. Some have done away with the contract system as applied to other kinds of public service. The most clearly stated and most convincing facts, however, are found in the experience of English cities, and especially of the great city of London, where a new, honest, natural, and economic system, such as proposed by this bill, has been in force for several years, and the citizens have been saved millions of dollars.

The system adopted by the London County council about 1892, and which has since been in successful operation, was fully set forth in a paper read before the economic section of the British Association for the Advancement of Science in August, 1894, by Sidney Webb, a member of the county council and a well-known writer on economic subjects.

#### EXPERIENCE ELSEWHERE.

It is interesting to note that this London movement had its start in an effort made in behalf of the workmen resulting in the councils inserting in contracts a "fair wages" clause, requiring contractors to pay the recognized standard rate of wages. An agreement among contractors not to compete for certain work in order to compel the council to abandon its fair-wages clause led the council to abandon the contractors, and the results have been most happy. At the time Mr. Webb read his paper the council had had three years of experience through its own managers and superintendents without the aid of middlemen. I will quote from Mr. Webb's paper enough to show how the public treasury benefited by this new departure:

"The outcome was the establishment, in the spring of 1893, of a works committee to execute the works required by the other committees in precisely the same manner as a contractor. The works committee has an entirely distinct staff and keeps its own separate accounts. The committee requiring any work prepares its own estimates, as if tenders were going to be invited, and the works committee is asked whether it is prepared to undertake the work upon that estimate. Up to the present date sixteen separate works, varying in amount from £100 to £4,094, have been completed and the accounts settled and checked by the comptroller. The result, stated in the following table, shows an aggregate net saving of £2,420, or over 8 per cent.

"It will be noticed that in five out of the sixteen cases, for which the total of the estimates was £3,552, the cost incurred by the works department exceeded the estimate by altogether £520, or 14.64 per cent, due chiefly to one unfortunate job at Plumstead, on the very edge of the county, which, undertaken before proper plant and conveyances has been secured, involved an excess of £272. On the other hand, eleven jobs, estimated at £23,834, cost only £20,894, a saving of £2,940, or 12.33 per cent. No contractor makes a profit on any contract, and the net result, after providing for plant, depreciation, and all establishment charges, of £2,420 profit on the first sixteen operations, is regarded by the council as very satisfactory.

"It may be objected that the whole of this computed saving rests on the assumption that the estimates prepared by the architect and engineer fairly represent what

the works would cost if executed by contractors. To see how far this assumption can be relied on, I have collected all the estimates prepared by the council's officers (including both the architect and the engineer) from the 1st of April, 1889, down to the establishment of the works department in 1893, omitting only the abnormal and incalculable Blackwall Tunnel contract for £871,000. The total estimates for these 170 different works of every kind, varying in magnitude from £15 to £38,256, amounted to £231,439. The aggregate of the lowest tenders for the same specifications was £227,515, showing that the officers' estimates were, on the average, within 1.72 per cent of the lowest tenders. If we assume that the estimates for the 16 works completed by the works department were 1.72 per cent in excess of what would have been a contractor's lowest tender, the saving effected by the experiment is still over 6 per cent.

"So far is it from being the case that the council's estimates are framed on too liberal a scale that a strong impression prevails that those of the architect's department in particular, carefully prepared as they are under its very able chief, make insufficient allowance for the increase in the cost of all building operations which have taken place within the last three years. To check this impression I have compared all the architect's estimates between the 1st of January, 1891, and the 8th of May, 1893, with the amounts of the tenders accepted. During this period 78 such estimates were made, amounting altogether to £51,686. The total of the accepted tenders for these works was £54,685, showing that the architect's estimates were, on the average, 5.48 per cent below the amount at which the cheapest contractor would do the work.

"The works department may therefore, with some plausibility, argue that if its £27,386 worth of completed works had been let out to tender in the usual way they would probably have cost not £24,966, as was actually the case under the works committee, but 5.48 per cent more than the architect's estimates, or £28,786. The council, on this calculation, has made a saving of £3,820, or nearly 14 per cent on the contractors' prices.

"But there exists an even clearer means of checking the stringency of the architect's estimates. In a few cases the works committee has expressed itself dissatisfied with the estimates prepared by direction of the ordering committees. The council, glad of the opportunity to check the works committee, has put these works up to tender in the usual manner, the same specifications being used. In one case only has a contractor been found willing to do the work at the price regarded by the works committee as insufficient. In the other three cases the lowest tender has been from 10 to 58 per cent above the estimate, making a total net excess on the whole four works of £1,938, or 13.78 per cent."

A report made by the works committee to the council the 11th of November last makes an interesting showing as to the extent of the work carried on and the continued success of the new system. It is stated that during the week ended November 1, 1895, the number of workmen employed by the department was 1,634. A summary is given of works completed since March 31, 1895, and of 62 works previously certified and reported to the council. The final estimates for these works amounting to £298,294 and the actual cost to £297,621, showing a saving as compared with the estimates, and when measured by Mr. Webb's rule a considerable saving as compared with the contract system. Throughout England borough officials and others are, according to Mr. Webb, abandoning the contractor with the most satisfactory results. "The superiority of direct municipal employment under salaried supervision," writes Mr. Webb, "to the system of letting out works to contractors has, in fact, been slowly borne in on the best municipal authorities all over the country by their own administrative experience, quite irrespective of social or political theories" (p. 13). It may be thought that the cost and labor of administration was increased by this new system, but on this point Mr. Webb says: "The London council found that it involved no more of the time and attention of their architects and engineers actually to supervise work done by the council's own foreman and mechanics than to keep the necessary close watch upon the contractor and his manager, who were anxious not to make their men build well, but only quickly." (Note, p. 17.)

If the proposed system did not bring with it as it does any assurance of economy in expenditures, it would still demand a fair trial for moral reasons. Mr. Webb aptly describes the action of the London council as—

"The deliberate choice of that form of competition which secures the greatest possible efficiency, as compared with the form which secures the greatest apparent cheapness" (p. 4).

"If the pressure of competition," he says, "is shifted from the plane of quality to the plane of cheapness, all economic experience tells us that the result is incompetency, scamped work, the steady demoralization of the craftsman, and all the degradation of sweating." (Idem., p. 5.)

"The London County council, representing the people of London, declines to



take advantage of any cheapness that is got by merely beating down the standard of life of particular sections of the wage earners" (p. 6).

It must be borne in mind that, notwithstanding the saving effected by the London system, the workmen were paid always the standard wages. There was no temptation to make profit by cutting wages or securing inefficient workmen. When a contractor makes a large profit either the public or the workmen, or both, have to pay it.

The administration of great railway corporations or large manufacturing concerns is analogous to that of the city government. But in such business concerns where business principles are applied the contract system was practically abandoned long ago.

#### DAY-WORK SYSTEM IN WASHINGTON.

I called attention of your honorable committee in a general way to losses the public had sustained on account of scant work done by contractors. Equally conspicuous perhaps, on the other side of the account, are two notable works carried on under salaried supervision and management and directly under public control. Those of the State, War, and Navy Department building and the new building of the Congressional Library. There has never been any complaint that these buildings cost too much; but there has been constant testimony given to the fact that the work throughout these structures was of the most thorough character. The system employed resulted in getting the best workmen and the best work, and at the same time saving money. The city government wisely employs its own clerks, its own teachers and policemen. In such cases it recognizes that efficiency and not cheapness is the thing to be desired.

A year ago, when a proposition was before Congress authorizing the Commissioner of Patents to have the Official Gazette of the United States Patent Office printed by contract, a protest was sent to Congress by Columbia Typographical Union No. 101, which stated so forcibly what the people had gained by the abandonment of the contract system in one line of the public service that no apology is needed for quoting it here.

#### THE GOVERNMENT PRINTING OFFICE.

According to a statement compiled by Mr. E. W. Oyster from official records, and submitted to Congress with this protest, the public printing since the establishment of the Government Printing Office has been executed from 25 to 50 per cent cheaper than formerly under the contract system. "It is within bounds to say," the protestants remark, "that the Government has saved, in comparison with contract prices, at least \$1,000,000 a year since it commenced to do its own printing thirty-four years ago." In the compilation referred to is given a very instructive comparative statement, prepared by the Public Printer in 1878, showing the cost of the printing and binding for Congress the last seven years of the old, or contract system, with the seven years of the present system, ending in 1878.

The total cost for the seven years of the contract system was \$5,201,259.20, against \$4,370,309.98 for the seven years under the new system, though more than twice as much work was done under the new system. The figures show that the number of pages printed during the first period was 301,623, and the number printed during the seven years under the new system, although the expenditure was nearly \$1,000,000 less, was 617,097. The cost per page under the contract system was \$1.76, and under the new system 75 cents. But the most remarkable fact is that the average price per day paid for labor of printers and bookbinders under the contract system was but \$2.73, while under the new system it was \$3.75. Thus the great gains of the contractors were derived by robbery of both the public on the one hand and the workmen on the other.

These figures it may be said apply only to the printing trade, but little inquiry is needed to convince one that the same general principles apply to Government work of all kinds. If the contract system were abandoned in other departments of labor so that similar comparisons could be made, there is little doubt the showing would be equally strong against the system. As it is, the experience of the city of London affords some means of comparison.

#### SEWER CONTRACTS.

We have in this connection, also, an interesting statement by one of the chief officers of the District government. Capt. George McC. Derby, assistant to the Engineer Commissioner of the District of Columbia, in his annual report, dated November 4, 1893, said:

"The material used by the sewer department during the year has been purchased

by contract and the work of construction has also generally been done under contract. Thanks to exceptionally good contractors, a very efficient staff of inspectors, and to unremitting watchfulness on the part of the other officers of the Department, the work done under contract is of excellent quality. It is to be observed, however, that the 26,344 feet of pipe sewer constructed by hired labor has cost somewhat less than the corresponding contract work, and is, on the whole, of better quality; and these results are obtained with greater certainty and much less friction than under the contract system, which is ill-adapted to underground work where close inspection is difficult to secure.

"Under, the existing law, however, as interpreted by the First Comptroller, work costing over \$1,000 must be done under contract, even if it can be done more cheaply and better by hired labor and purchase in open market. This is certainly not good policy. It may be the lesser of two evils under the ordinary form of municipal government, but there certainly can be no need of such an expensive policy in the District of Columbia.

"I believe that the present law requires amendment, and that the same proviso should be inserted in the District appropriation bill that has existed for years in the river and harbor bill, namely, that the engineering work authorized 'shall be done by contract or otherwise, as may be most economical and advantageous.' Without the authority to reject all bids and proceed with the work by hired labor and purchase in open market, the officer in charge of the work is absolutely at the mercy of a strong combination among bidders. When the bids for this year's supply of sewer pipe were opened on June 3, they were found to be, on the average, 20 per cent higher than the prices paid the year before. A little inquiry elicited the fact that the bidders had combined to raise the prices, so arranging their bids as to divide the work among themselves at their own figures. This fact was admitted to me personally by several of the successful bidders. The same combination was made two years ago, and the only recourse open to the Commissioners under the law was taken. All the bids were rejected and the work readvertised, but, the combination being strong, the same prices were bid again and the bids had to be accepted.

"On the last occasion, however, through a misunderstanding with the Treasury officials, it was believed that it would be held by the Comptroller that, inasmuch as the work had been advertised and no satisfactory bid had been received, the law had been complied with, leaving the Commissioners free to purchase the material in open market if it could be obtained more advantageously. The bids were accordingly rejected and no great difficulty was experienced in finding a reliable firm that was willing to enter into an agreement to furnish all the year's supply of pipes at 30 per cent less than the lowest bid received June 3, and under identically the same specifications.

"Unfortunately, it afterwards transpired that under the laws the Commissioners could not enter into this agreement and it had to be abrogated; but the mistake had served a useful purpose in breaking the combination, and half of the year's supply was purchased as an emergency purchase in open market at the same low figures."

#### TESTIMONY OF GENERAL CASEY.

It may not be out of place to quote here the testimony of General Casey, who in his final report as engineer officer in charge of the construction of the State, War, and Navy building said:

"Such parts of the work as it was impracticable to secure of the greatest excellence by contract, even under the closest inspection, were constructed by hired labor, and to this method of administration is due the singularly high class of workmanship and thorough solidity that prevails throughout the structure, and which has furnished a most creditable specimen of the skill of American mechanics."

#### IMPORTING LABOR.

A great evil attending the contract system, one from which the District has sorely suffered, arises from the practice of avaricious contractors of importing into the District gangs of workmen employed at low wages. Many such workmen, when their employment comes to an end, are stranded here, and their presence serves to depress the local labor market and to increase the general poverty in times of distress, so the gains made by the contractors through employment of cheap labor have to be paid over and over again by the community.

It is difficult to imagine what can be said in favor of the contract system as applied to work done under the District government. The District government maintains a complete corps of supervisors and inspectors, which would not have to be materially increased if the contract system were abolished. Why, with this machinery already provided, the Government should require the services of middlemen to come

between our own officers and the workingmen is not clear. The contract system as thus applied becomes merely a system of speculation in human labor, in human life and happiness. An enlightened Government should never give its approval to such a system. I confidently believe the day will come when the contract system will be regarded as slavery is now, as belonging to an age when the nation was unenlightened and men will be amazed that it ever existed by authority of the Government.

The subject was again referred to the Commissioners of the District of Columbia, with a request for further consideration on their part; and while their action was pending, a sewer contractor brought from Pennsylvania a large number of Italians to work on a new sewer. This fact led to a further hearing on the bill (S. 1417), which hearing was reported in the Evening Star of April 3, 1896, as follows:

There was an interesting discussion in the board room at the Commissioners' office this morning upon the subject of abolishing the contract system of doing public work. Incidentally the incident of a contractor employing Italians and bringing them from Pennsylvania to work on a District sewer was mentioned.

The hearing was given to a committee from the local Federation of Labor, consisting of Messrs. E. M. Blake, J. J. McCarthy, and Joseph K. Potter, to present the views of the workingmen of the city upon Senate bill 1417, relating to the employment of labor on public buildings and grounds owned by the District of Columbia.

Mr. E. M. Blake presented the views of the committee, which he explained was the legislative committee of the Federation of Labor of the District. The working people of the city, he said, are more interested in the passage of this bill than any measure before Congress.

It was the desire of the committee, he said, to appear first before the Commissioners in advocacy of the bill, but the opportunity not occurring the committee made its first presentation to the Senate committee having charge of the matter. It was gratifying to note that the subject of municipal control of public works had received substantial recognition from District officials.

The reasons which prompted the Commissioners and the superintendent of street sweeping to favor the abandonment of the contract system in the important work of cleaning the streets and alleys applied with equal force to every other kind of work. It was not sufficient ground for rejecting the bill that, in the opinion of an official of the District government, the work would be more expensive than the contract system. The facts controvert such an opinion. Under the day's work system, experience had proved, and will prove, that it will be no greater than the safeguards the Government is obliged to employ to insure good work. He argued this measure, not only because of the belief that it will promote the special interest of the workingmen, but also because it would redound to the advantage of the community. To eliminate the contractor meant the saving of his profits to the District, and insured better work. If the bill were considered only from the workingmen's point of view, there was abundant reason for adopting it. The community at large would benefit from any measure that contributed to the welfare of the working classes. Summing up the reasons for the passage of the bill, he said:

"The system proposed by the bill is cheaper than the contract system, hence is commended by considerations of economy.

"It will rid the public service of the many scandals growing out of the contract system.

"It will institute a system of competition in quantity and quality, and not in price, and thus secure for the public better work for the money expended.

"The workingmen engaged on public work would be fairly and justly paid for their labor."

#### CASE IN POINT.

Continuing, the speaker said:

"When contracts were let it was natural for the contractor to make as much out of the contract as possible. The result was the employment of cheap labor and poor work. A case in point was mentioned in last evening's Star. Hordes of Italians were brought into the city to do certain work upon a sewer. The poor laborers of the District, whom the generous people of the city had supported during the winter, were robbed of an opportunity to work. The community suffered. If there was any possible way to annul this contract, even at a loss, he thought the Commissioners were justified in doing it. Such an outrage to the local laborers would be resented. The last time Italians were brought to this city was when 'Yankee Gleason' was a contractor for certain work. The scenes then were disgraceful, and the police had to be called out to preserve the peace."

## SHOULD BE CHANGED.

Commissioner Ross said the commissioners had no control under the law over this matter, no matter how much they regretted it. The organic act was specific regarding the award of a contract, and no discretion was left to the commissioners.

Mr. Blake said if this were correct the organic act should be changed. These Italians were evidently here under the padrone system. They were not naturalized, but shifted about all over the country by the man who owns them. He had been informed by a friend who lives in Brookland that 27 of them were huddled in one room last night, and that 67 were sheltered in a single house. He spoke of the danger from disease and the liability of crime, and said he hoped the commissioners would reconsider the granting of the contract if possible.

## THE TWO METHODS.

Returning to the original discussion, he said:

"The adoption of the day's work system before these operations are begun will be an assurance to the public that it will receive an honest return for the millions it is proposed to expend. An evil that has attended the contract system in the District, and one which in addition to the distresses and injustices suffered by the workingmen results in a serious tax upon the community, is the importation into the District by various contractors of gangs of workingmen employed at low wages. Hundreds of such workingmen are stranded here at the end of their term of employment, and their presence serves to depress the local labor market and to increase the general poverty in time of distress. Ultimately the community has to pay dearly for any seeming gain from the employment of cheap labor.

"Sound business principles undoubtedly condemn the employment of the contract system to so general an extent as unfortunately the law now requires in the District. Great railway corporations and manufacturing concerns, whose dividends depend upon economical management, long ago eliminated the contractor from any share in their current work. There are other considerations, however, which from the point of view of the body I represent are even weightier than these matters of good business management and economy.

## EARNEST PLEA.

"The workingmen believe they have a right to be considered. The laborer engaged in paving the street, or the mechanic employed in the construction of a schoolhouse, is working for the Government. The sham of the contract system interposed between him and the Government does not alter the fact that his work is for the public. The workingman has a right to demand that the Government shall not lend itself to promoting a system that degrades him, makes his work, his health, his strength, his very life material for speculation. He has a right to ask, and good public policy will indorse his appeal, that he shall be paid fair and just wages. It is a shameful thing that the Government should be the chief patron of a system which is in many of its phases more damnable than slavery.

"Under better conditions and a better law, both the workingmen and the public will fare better. Then when work is to be done for the community the question will not be, how cheaply it can be done, but how well it can be done. If the contract system is to be continued, at least let it not be continued a merciless speculation in human labor. Let the Government require as a part of every contract that the contractor must pay the maximum wages to his workingmen. In this way competition will be shifted from the plane of cheapness to the plane of quality and efficiency; the public will get better work and the workingmen will get just treatment."

It is evidently the intention of the Commissioners to favorably report the bill in part.

This committee having in mind the absolute inadequacy of the garbage collection service under contract; also the fact that the District pays in the neighborhood of \$20,000 annually for supervising the street sweeping under contract, thus leaving the contractor only the work of hiring men and teams which could quite as well be hired or owned by the District, and probably with a saving of money; and also the fact that some radical change is needed in school construction in order to adapt the school buildings to modern ideas of architecture and convenience, were prepared to go so far as to authorize the District Commissioners in

their discretion to undertake the erection of school buildings by day labor, to allow them to construct sewers as they now lay water mains, and to undertake street sweeping and garbage collection as proposed in the bill (S. 3008) drafted by the Commissioners.

This bill was accompanied by the following letters and reports which show that the legislation proposed will result in an increase in both efficiency and economy:

OFFICE COMMISSIONERS OF THE DISTRICT OF COLUMBIA,  
*Washington, April 29, 1896.*

DEAR SIR: The Commissioners have the honor to make the following response to your request for their opinion whether it would be for the best interest of the District to have the Commissioners assume control of the collection of garbage and of street sweeping, and possibly other works of that character.

In pursuance of your wishes they obtained reports from the superintendent of street and alley cleaning, and from the health officer, both of whom express themselves in favor of municipal control of the works in question which they respectively supervise, and in their views the Commissioners concur.

The only apparent obstacles to the performance of those works by the District are the existing contracts therefor, and the following provision in the organic act of the District of Columbia (U. S. Stats. vol. 20, p. 105) which requires them to be done by contract:

That hereafter when any repairs of streets, avenues, alleys, or sewers within the District of Columbia are to be made, or when new pavements are to be substituted in place of those worn out, new ones laid, or new streets opened, sewers built, or any works the total cost of which shall exceed the sum of one thousand dollars, notice shall be given in one newspaper in Washington; and if the total cost shall exceed five thousand dollars, then in one newspaper in each of the cities of New York, Philadelphia, and Baltimore also, for one week, for proposals, with full specifications as to material for the whole or any portion of the works proposed to be done; and the lowest responsible proposal for the kind and character of pavement or other work which the Commissioners shall determine upon shall in all cases be accepted: *Provided, however,* That the Commissioners shall have the right, in their discretion, to reject all of such proposals.

The contract for street sweeping will expire June 30, 1897. The contract for cleaning paved alleys will expire June 30, 1896. The contract for unpaved alleys will expire June 30, 1896.

The contract for the collection and disposal of garbage and dead animals will expire June 30, 1900, unless sooner determined by reason of the contractor's laches, or his consent and the concurrence therein of the authorities.

There are other kinds of public works where day labor may at times, in the discretion of the Commissioners, be advantageously employed; such as the construction of sewers, sidewalks, and certain kinds of pavements. Water mains are already laid by day's labor, under the direction and control of municipal officers.

Grading and filling of streets, and any other improvements where the main interest of the Government is in the amount and not the quality of the work done, may be done by contract with as much, if not more, advantage to the public as by day's work.

The Commissioners are satisfied that it would be to the advantage of the public to construct all public buildings by day work. They believe it is impracticable to maintain a system of supervision that will entirely prevent improper work on such structures under the contract



system. While an honest contractor will do good work as well without as with supervision, a dishonest contractor can readily find opportunities to evade the surveillance of the most vigilant overseers.

Under date of January 31, 1896, the Commissioners, in response to a request of your committee for their views upon Senate bill 1417, "to regulate the employment of labor on public buildings and public grounds in the District of Columbia," expressed the opinion that while, in their judgment, it is better that certain public works should be executed under contract system, it would be for the public interest if they should be vested with discretion to cause other works to be performed by day labor. They take this occasion to inclose a draft of a bill designed to give them this discretion, and are of opinion that the public interests would be subserved by its enactment, or the enactment of some measure substantially of the same effect.

The Commissioners submit these facts and suggestions in the hope that they may be of service to your committee in its consideration of this important subject.

Very respectfully,

JOHN W. ROSS,

*President Board of Commissioners, District of Columbia.*

Senator JAMES McMILLAN,

*Chairman Committee on the District of Columbia,*

*United States Senate.*

HEALTH DEPARTMENT, DISTRICT OF COLUMBIA,

*Washington, April 11, 1896.*

GENTLEMEN: I have to acknowledge the receipt, by reference, with instructions to report thereon, of a letter from Hon. James McMillan, chairman Senate Committee on the District of Columbia, dated February 19, 1896, and requesting to be informed "if you do not think it would be best for the interests of the District to have the Commissioners assume control of the collection of garbage, etc.," and suggesting "that the day work system might be instituted with advantage, both to the District and the laboring men."

While the collection and disposal of garbage and dead animals in this District has been done by contract for some years past, it has, at no time, so far as I am informed, been satisfactory, and is not so to-day. I must admit, however, that at times the unsatisfactory character of such service has been due, in part, at least, to other causes than the contract system, such as an insufficient appropriation for such work and lack of authority on the part of the Commissioners to require that garbage should be properly cared for by householders. Neither of these conditions, however, exist at the present time.

The performance of such work under contract is bad in principle because the interests of the contractor are, to a certain extent, opposed to the interests of the community; that is, the less money he spends for the actual performance of the work the more he is able to put into his pocket; and it will be admitted by everyone that men do not undertake such contracts for the purpose of collecting and disposing of garbage and dead animals, but solely for the purpose of making money.

Even in the conscientious performance by the contractor of the work required by his contract, there are certain elements which add to the

cost of such work, over and above the amount for which it could be done by the Government, and which interfere with the intelligent organization of the garbage service.

In the first instance, a party proposing to enter into a five years' contract must, in determining the amount for which the work can be done, take into consideration the fact that it will be necessary for him to purchase a sufficient equipment for the work, a large part of which will become almost a dead loss in case of failure to secure another contract for the same work at the expiration of the first. The price, therefore, must be such as to protect him against such loss. The Government, having in view the establishment of a permanent service, would not have this item to consider. Again, it is necessary for the contractor to employ a certain number of inspectors to see that the collectors properly perform their work, and that he is not imposed upon by violations of the garbage regulations by the householders.

A similar inspection service must, of course, be maintained by the Government to see that the contractor complies with the terms of his contract. Thus, by the contract system, the cost of inspection alone is doubled to no good purpose. In the second place, as far as the organization of the garbage-collection service is concerned, it is apparent that at the beginning of each new contract, if such contract is awarded to a party who has not previously done such work, the contractor is not familiar with the best methods of performing the duties which he has undertaken. He is not informed as to the best methods of dividing the city into districts, nor are his employees familiar with the work which they are required to perform.

For the reasons stated above, I am of the opinion that so far as collection and disposal of garbage is concerned, it would be greatly to the interest of the Government to perform such service itself by the day work system instead of by contract. I am further of the opinion that if politics is not allowed to enter into the organization and maintenance of such service, the cost will be less and the service better under the day work system than when done by contract, especially if the street sweeping is undertaken in the same way.

Whether or not the proposed change in the system of collecting and disposing of garbage would be to the advantage of the laboring men engaged in such service I am not able to state.

Very respectfully,

WM. C. WOODWARD, M. D.,  
*Health Officer.*

The COMMISSIONERS DISTRICT OF COLUMBIA.

Approved April 11, 1896:

JOHN W. ROSS,  
*Commissioner, District of Columbia.*

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WASHINGTON, D. C., March 9, 1896.

SIR: I have the honor to acknowledge receipt by reference, with instructions to report thereon, of letter from Hon. James McMillan, chairman Senate Committee on the District of Columbia, dated February 19, 1896, addressed to you and requesting to be informed "if it would not be for the best interests of the District to have the Commissioners assume control of the street sweeping and possibly other public

works of that character," and further stating that "it seemed to the subcommittee having charge of the bill (S. 1417) to regulate the employment of labor on public buildings and grounds belonging to the District of Columbia that the day work system might be extended with advantage both to the District and the laboring man."

In reply, I respectfully submit the following for your consideration and such action as you deem proper. In order to be fully understood, the subject will have to be treated at considerable length. The proposition as here made was discussed informally by the House Subcommittee on Appropriations for District of Columbia for the fiscal year 1892, and at the request of Hon. Clifton R. Breckinridge, of Arkansas, then a member of the House Committee on Appropriations, I submitted to him an estimate of cost of plant necessary to do the work of street cleaning by the District directly, as now proposed. I also believe I made such an estimate for your information some year or two ago, accompanying it with an estimate of annual cost for running a sufficient plant to do the work.

It will therefore be readily seen that I am heartily in favor of all street work being done directly by the District and the doing away with the contract system. I must, however, bear testimony to the fact that the contract system as conducted here (I speak of street cleaning only) has been an economical one and rendered good service; every requirement made of the contractors has been promptly and cheerfully complied with at all times; but for many reasons, which I shall endeavor to present, I have come to the conclusion that the interests of the public could not only be as well, but in several ways better, served by the work being done directly by the authorities, and further that the interest of the workingman engaged thereon would also be advanced by the change.

I am well aware that in many cities the contract system is preferred. One of the principal reasons advanced in support of the same and against direct municipal control is that politics has prevented and interfered with economical and judicious expenditure of money and the discipline of the force—places being sought for and filled as sinecures, rather than for effective and honest work. Such, however, would not be the case here, as the question of politics being happily eliminated by our system of municipal government, we would be free from drones or the man with a "pull." I therefore believe that, under such circumstances, every employee, be he a supervising officer or laborer, would feel that it was solely by his own merit that he could retain his position or be promoted. That being the case, the public would receive for every dollar expended an honest return in labor. This city is, therefore, in my opinion, most favorably situated for successfully carrying out the change proposed.

If the force and appliances necessary to do the work of street cleaning were directly owned and employed by the District, and immediately under the control of this service, several advantages would result over the present system of doing the work. In case of bad weather and the work should have to be stopped, it could be resumed again at the first opportunity. Under the present system the contractor's force may have gone in and beyond recall; or if a route should from any cause be unfinished, as much or little of it as might be necessary could be cleaned up afterwards, as occasion might demand.

In extended periods of damp, heavy weather, when streets get in that peculiar condition that prevents sweeping by machine, hand work

could be done, much or little, as might be required. The same in periods of dry, cold weather, when too cold to sprinkle, but the roadway clean and the gutters filthy, hand work could again be called upon. Snow and ice on the roadways, gutters and crossings to be kept open, again demands hand work by the force. It may be said that this would come under the head of extra work, and the contractor could do it as well. But why pay the contractor market rate of wages and 10 per cent added when it could be done at first for only the market rate paid to laborers in the direct employ of the District? There are times when this "extra work," as termed, amounts to a considerable sum, increased as it is by the 10 per cent.

Again, the advantage of having direct control of the force is made manifest by our being able to divide it up and to send to the different points of the city where the labor is most needed. Advantage can be taken of the weather for an hour only, if deemed necessary. In a short time the municipality would be able to thoroughly drill its men, to weed out from its force the worthless and discreditable, and to present a class of employees to the public eye that would not offend by any unnecessary display of uncleanness other than that inseparable from their work. Work would be carried on with less noise and less bad language, more care would be taken with the work, for each individual would know that he was held responsible for his proportion of same, hence it would be better done.

I have endeavored to show how, in my opinion, the District would be better served. How about the laborer? In answer, I believe that he should be employed by the month, at a fair compensation according to his class, skilled or unskilled. I prefer the monthly employment for two reasons: First, that it gives more control over him and is more conducive to discipline; second, that when he is assured as to his income he and his family know just how far to go with their expenses. It gives him more standing and better credit, and is in every way more satisfactory. Paying monthly wages will bring into the service a better and more reliable class of laborer, as he will understand that to secure employment regular service is what is wanted and will be required. Direct monthly employment will make a better citizen of him. The tendency will be to sobriety and industry and a greater interest in his work.

If it is conceded that the change proposed will be of advantage in the directions stated—to both the District and the laborer or employee—there remains, then, but the question as to the economy of same. Can the work be done as cheaply and as well as at present? I honestly believe it can.

As to being done as well, I will dispose of that by saying that it can beyond a doubt. In regard to its being done as cheaply, which, of course, means can we sweep and clean as much surface as the contractors aggregate during the same period for as little money, and at the same time pay to the employee a better rate of wages, I answer that I think we can, and will endeavor to show why I think so. I wish to deal first with the sweeping and cleaning of the improved streets and avenues now under contract system, same expiring June 30, 1897, that being the heaviest contract in this service. Comparative Tables Nos. 1 and 2 will appear hereafter.

In conducting the work of sweeping, cleaning, etc., the improved streets and avenues of this city directly by the District, there should be no difference in cost with that of contract system, other than the

price for labor. And that I apprehend would be more than counterbalanced by more work and of a better character; also by the difference between actual cost to the contractor and what he receives, otherwise his profit. It is a fairly supposable case that the District could obtain its stables and barns (if it had to rent), its feed for stock, and all other supplies necessary for a proper conduct of the work, just as cheap as any contractor. It has access to the same markets, and being, as it would be, a buyer in as large if not larger quantities, and for cash (even if it bought in open market), it could, I believe, get better rates. If this is true then there remains but the possible question of an advance in the cost of labor, as I have already stated.

The only labor likely, in my opinion, to be affected would be that of the ordinary or unskilled character. The superintendent of the plant and assistant, drivers of machines, sweepers, and sprinklers would be the same as now paid by the contractor; also the wages paid by the contractor to his blacksmith, wheelwright, and broom maker. The broom and hoe men and cart drivers, constituting the unskilled class, would, I presume, cost more than now paid by contractor. The difference will be shown by Tables 1 and 2. The average time (250 days), which I make a basis for calculation, is the average number of days during the year on which sweeping is done. If reduced to months it makes a little more than  $9\frac{1}{2}$  months (at 26 working days each). It is upon that number of months and fraction that I have made my calculation as to relative cost.

To get the same number of working days that the contractor obtains during the entire year, it would as a matter of fact be necessary to employ and pay the said laborers for 313 days, or 63 days more than the contractor has to pay for. At the rate of wages (monthly, as I propose to pay), if both forces worked and were paid only for the 250 days, there would be an increased cost to the District of \$1,237.18. But as I propose to employ and pay my force for the 313 working days of the year, which would be necessary in order to cover the 250 days of work on streets and avenues, there would be 63 more days for the District to pay for than the contractor had, to obtain his 250 days. Therefore, the apparent difference between the contractor and the District would be \$8,435.07 in favor of the contractor on account of unskilled labor employed. (Number of laborers and classes shown in Tables 1 and 2.)

It will be allowable to suppose that the District could find employment for them (its laborers) on snow and ice work on the roadways, in cleaning gutters and crossings, and such other hand work as might be necessary to be done during the winter season, when the great bulk of time is lost. Such time, so occupied, would at least amount to 30 days, which, at the average cost of about \$114.25 per day (cost of this class of labor), would reduce the said difference of \$8,435.07 to about \$5,007.57, which would represent the increased cost to the District over that to the contractor, allowing that we lost entirely the balance of the 63 days—33 in all. I am, however, inclined to think, from my experience in the street-cleaning service, that the entire loss of 33 days during a year is too great a percentage; that the actual loss of time when absolutely no work of any kind could be done and for which wages would be paid would not exceed 20 days.

Even should this not be true, there is another view to be taken of the matter, which I think would more than cover any extra cost to the District if the change was made. That is, that whatever profit the contractor makes upon his work, or what the difference is between what it actually costs him to do the work and what he receives from the District



in pay for same, should be credited to the District, should the District do the work itself. For illustration, here is a contract involving \$85,000 (street sweeping for 1896). I think it is reasonable to believe that the profit on same, free and clear of all expenses, would be at least 10 per cent (and that is very low); that would give \$8,500 profit.

Now, it is a well-known fact that about one-half of the cost in a contract of this character is that paid out for labor. That being the case, it is a fair presumption that one-half of the profit is derived from that source; hence I claim that while the proposed change will benefit labor, give employment and better wages, that the District will not be compelled to pay out any more than it does now and yet have its work done better, for reasons that I have already advanced. Again, I have stated that I can see no good reason why the District can not procure all the other help needed—its barns (if it rents), feed, and all appliances—just as cheaply as the contractor. If that is so, then the other half of the \$8,500, profit of the contractor, should be credited to the District, either to meet any extra cost or be used in additional street work.

I am aware that much would depend on an economical management of the affairs connected with the service, but it seems to me that, almost unhampered as the officer in charge would be by outside influences, and to which I have referred, if he brought to bear the same rules that the ordinary business man brings into his private affairs there would be no reason to suppose he could fail to successfully conduct the operations of street cleaning upon the lines of the proposed change, and within the estimated cost here stated. It is true that the street sweeping is now being done in this city at a very low figure—much less than in any city that I have knowledge of—and should the municipal authorities be able to successfully compete at same rates, an object lesson would be presented for others to profit by.

I wish here to call attention to a fact that must also be taken into consideration in connection with the future. The present contract expires June 30, 1897. In any event, whether the work is done under the contract system or, as proposed, directly by the District, it can not be done, in my opinion, as cheaply as at present, viz, 24½ cents per 1,000 square yards, without the aid of very much improved labor-saving machinery. The principal reason against it is that the 8-hour law will reach and affect either a new contract or the District. That law does not affect the present contract, it having been made before the passage of the law referred to, 10 hours now being a day's work.

Another thing that will enhance the cost to whoever does this work is the longer hauls made necessary to get to the dumping grounds, as such places are becoming more scarce each year. To cremate or incinerate the refuse will aid but little so far as length of haul would be concerned, as it is doubtful if they would be sufficiently numerous to shorten the distance. I submit below the Tables 1 and 2, that I have referred to in the course of the foregoing, comparing the estimated cost to contractor and District for 250 days, the force being the same in each case.

The following comparative statement (Tables 1 and 2) shows prices paid for unskilled labor by the contractor for sweeping the improved streets of Washington, D. C., and that which I propose be paid to same class of labor if employed directly by the District, force and time employed being alike in both cases, 250 days being the average number of days during the year when any street sweeping is done; the other 63 days, to make the 313, being supposed to be lost entirely or the labor applied to hand work on streets, snow, and ice work, etc.

TABLE 1.—*Contractor's account.*

	Number days each.	Pay per day.	Total cost.
9 leaders hoe and broom men.....	250	\$1. 20	\$2, 700. 00
45 hoe and broom men.....	250	1. 10	12, 375. 00
10 leaders cart gangs.....	250	1. 30	3, 250. 00
30 drivers cart gangs.....	250	1. 20	9, 000. 00
Total.....			27, 325. 00

Average cost per day, \$109.30.

TABLE 2.—*District account.*

	Number days each.	Pay per month.	Total cost.
9 leaders, hoe and broom men.....	250	\$32. 50	\$2, 815. 31
45 hoe and hoe men.....	250	30. 00	12, 993. 75
10 leaders, cart gangs.....	250	35. 00	3, 368. 75
30 drivers, cart gangs.....	250	32. 50	9, 384. 37
			28, 562. 18
Average cost per day, \$114. 25.			
Cost to contractor.....			27, 325. 00
Difference in favor of contractor.....			1, 237. 18

[Based upon same number of laborers.]

	Days.	Per day.	Amount.
District.....	313	\$114. 25	\$35, 760. 25
Contractor.....	250	109. 30	27, 325. 00
Difference apparently in favor of contractor.....			8, 435. 25
Deduct for 30 days at \$114.25 per day, work done by District, as stated.....			3, 427. 50
Balance in favor of contractor.....			5, 007. 75
Deduct for one-half the 10 per cent profit over cost of work earned by the contractor's labor force.....			4, 250. 00
Apparent balance in favor of contract system over District.....			757. 75

The difference or balance against the District is but small, even deducting but one-half the contractor's profit. It would be safe, then, to say that if the entire profit was applied to paying any extra cost there would be more than necessary, and a balance would be shown in favor of the new system.

The next contract in order to be considered is that for cleaning the improved alleys. The contract price for it is 42.4 cents per 1,000 square yards, and the work is let annually. This work is carried on for about 286 days (or 11 months of 26 days each) in the year, 8 hours a day's work, and no force by either contractor or District could be worked to advantage on the said alleys more than that number of days. In round numbers, the sum of \$13,000 will be paid for the work of fiscal year 1896 to the contractor. Calculating his profit on the basis of that estimated on street sweeping, viz, 10 per cent, he would realize the sum of \$1,300.

As the cost to contractor for labor alone on this work is about \$9,552 for the 286 days, the labor should be credited with having earned a profit on the work amounting to about \$1,075, or nearly three-fourths of the whole. That being the case, the District, if it did the work, would be

entitled to a credit of that amount under the proposed change to meet any extra cost or expend it on additional work, if not otherwise applied. I submit comparative Tables 3 and 4, and as in the street-cleaning statement, I assume the cost of all appliances, skilled labor, material, etc., as obtained at equal rates.

TABLE 3.—*Contractors' account.*

	Number days each.	Per day.	Total cost.
3 leaders, hoe and broom men .....	286	\$1.20	\$1,029.60
15 hoe and broom men .....	286	1.10	4,719.00
9 cart drivers .....	286	1.20	3,088.80
3 sprinkler drivers .....	286	83½	715.00
Total .....			9,552.40

Average daily cost for labor, \$33.40.

TABLE 4.—*District account.*

	Number days each.	Pay per month.	Total.
3 leaders, hoe and broom men .....	286	\$32.50	\$1,072.50
15 hoe and broom men .....	286	30.00	4,950.00
9 cart drivers .....	286	32.50	3,217.50
3 sprinkler drivers .....	286	25.00	825.00
Total cost for labor .....			10,065.00
Average cost per day, \$35.19.			
Cost to contractor .....			9,552.40
Difference in favor of contract system .....			513.60
There must be added to cost of District, pay to laborers for 27 days additional, to make the 313 days necessary to cover the 286 working days, which at \$35.19 per day is .....			950.13
Apparent total difference in favor of contractor .....			1,463.73
Deduct profit due from labor employed by contractor .....			1,075.00
Remaining in favor of contract system .....			388.73

The difference against the District should and can be more than counterbalanced by cleaning the increasing alley surface without additional force up to a daily average of 120,000 square yards. The present average is 104,000 square yards, which would make a difference of 16,000 square yards. It is fair to presume that at the rate new alleys are being paved, an average of 8,000 square yards will be added to alley surface annually. That being the case, the District force would be called upon to clean 112,000 square yards per day against the 104,000 now cleaned. In that event the District should be credited with such extra work, which would amount to \$3.38 per day, or for the 286 days, \$955.68.

The contract for cleaning the unimproved streets and alleys of the city is let yearly, but not by the 1,000 square yards, as it would be difficult to estimate the area, as the entire surface is not in many cases gone over. The gutters of the streets being the only portion entirely cleaned, the roadways being only partially so, loose material or any objectionable matter being all that is removed. It is the same with the unimproved alleys, only in the latter class more of the actual surface is cleaned in proportion to area. The contractor for this class of work furnishes, under present contract, 40 men, 10 horses and carts, with drivers, for the fixed sum of \$59.50 per day.

If any extra men or horses and carts are needed he supplies them at the rate of \$1.10 and \$1.75, respectively. These are divided into 5 separate gangs, 8 men and 2 horses and carts in each gang, 4 on unimproved streets and 1 on the unimproved alleys. Each gang works under directions of a District inspector. The 4 street gangs commence work about the 1st of March, and continue during the season as long as the weather in the fall or winter permits; the alley gang works during the entire year. These gangs attend to all complaint work in addition to their regular duties. For convenience the cost of work is divided—that is to say, the 4 street gangs are considered as costing \$47.60 per day and the alley gang \$11.90, together making the \$59.50, or contract price. In the following Tables 5 and 6, the cost will be so divided:

TABLE 5.—*Contractor's account.*

	Number of days each.	Per day.	Total.
32 laborers, 8 horses and carts, with drivers, and all tools, on streets...	260	\$47.60	\$12,376.00
8 laborers, 2 horses and carts, with drivers, and all tools, on alleys...	313	11.90	3,724.70
Total.....			16,100.70

Average cost per day, streets and alleys, \$59.50.

TABLE 6.—*District account.*

	Days (10 months).	Per month.	Total.
<b>STREETS.</b>			
32 laborers .....	304	\$30.00	\$9,600.00
8 boys, drivers of horses and carts .....	304	15.00	1,200.00
8 horses, keeping, grooming, and shoeing .....	365	12.67	1,168.00
8 carts, wear and tear, repairs .....	260	1.50	120.00
Tools, brooms, hoes, and shovels .....	260	3.00	30.00
Total streets .....			12,118.00
<b>ALLEYS.</b>			
8 laborers .....	365	30.00	2,880.00
2 boys, drivers of horses and carts .....	365	15.00	360.00
2 horses, keeping, grooming, and shoeing .....	365	12.17	292.08
2 carts, wear and tear, repairs .....	313	1.50	36.00
Tools, brooms, hoes, and shovels .....	313	1.00	12.00
Total alleys .....			3,580.08
Total cost, streets and alleys .....			15,698.08

Average cost per day, \$58.05.

*Total cost, or amount paid contractors.*

	Days.	Amount.
Streets.....	260	\$12,376.00
Alleys .....	313	3,724.70
Total.....		16,100.70
Total cost to District on streets, 10 months' work .....	\$12,118.00	
Total cost to District on alleys, 12 months' work .....	3,580.08	
		15,698.08
Difference in favor of District .....		402.62

The difference in favor of the District doing the work would be still greater were it not for the fact that better and more regular wages are proposed to be paid both the laborers and drivers by the change. Basing it on the month the District would pay to laborers \$4 more than that paid by contractor—District \$30 per month and contractor \$26 (for 26 days). The District pays drivers \$15 per month and contractor \$13 (for 26 days).

40 laborers, streets and alleys, \$4 per month, for 10 months.....	\$1, 600
10 drivers, streets and alleys, \$2 per month, for 12 months.....	240

Total excess of wages paid by District to laborers and drivers..... 1, 840

That I believe to be about the contractor's profit.

In making the comparative Tables 5 and 6, unimproved street and alley work, Table 6 shows the same force as Table 5, in every particular. I do not, however, recommend that same should be followed in event the District did the work directly. I should cut off the "boy drivers" of carts and substitute men capable of shoveling and driving. This would, of course, add somewhat to the expense, but is simply the difference between their respective wages.

The advantage would be that I would strengthen (and they should be strengthened) the gangs by just two laborers, whose time would be fully occupied, whereas at present the shovelers of a gang do little work while their carts are absent at the dumps. Besides, the stock would be better cared for in the hands of a man than by an irresponsible boy, and the carts would keep closer up with the work, as the shoveler and driver would desire to be able to quit about the time the gang did. That fact would also enable the gang to get over more ground by reason of the dirt being removed more promptly.

The next contract work to be treated of is the work of hand cleaning Pennsylvania avenue from First street west to Rock Creek Bridge; First street west, Garfield Circle to Peace Monument; Fifteenth street west, Pennsylvania avenue to New York avenue; New York avenue, Fourteenth street to Fifteenth street west, and Executive avenue, Pennsylvania avenue to Pennsylvania avenue.

This work is let for \$21.50 per day, the refuse being the property of the contractor. The force required and stipulated for by the contract is 16 laborers and 4 horses and carts, with drivers who shall "also be shovelers," virtually calling for 20 laborers. The rate of wages paid by the contractor to his laborers is \$1 per day. It can, therefore, be readily seen that he has but \$1.50 left for the use of horses and carts, to keep his scrapers in repair, and purchase other necessary tools. I estimate his expense as follows:

TABLE 7.—Contractor's account.

	Days.	Per day.	Total.
20 laborers.....	313	\$1. 00	\$6, 260. 00
4 horses.....	365	. 40	584. 40
4 carts, wear and tear and repairs.....	313	. 05	62. 60
Tools, repairs, etc.....	313	. 30	93. 90
Total.....			7, 000. 50
Average cost to contractor per day, \$22.			
Amount realized by contractor if he worked 313 days would be, at contract price of \$21.50 per day.....			6, 729. 50
Showing a loss to contractor of.....			271. 00



As a matter of fact it would be impossible to make the full 313 days. This year, as the weather has been most favorable, about 300 days will be made, which at contract price would produce \$6,450. As is shown on face of statement that contractor does the work apparently at a loss, it is proper to show in what way he is enabled to get out whole, and with probably a small profit. As a dealer in fertilizers this contractor is enabled to utilize all the refuse gathered, and by composting same receives in value from the refuse about \$5 per day, thus realizing from contract about \$26.50 for each working day. I may state here that it would not be possible for the District to do the work under this contract as cheaply as now done, as the principal factor connected with its conduct is hand labor. I submit below the probable cost to District:

TABLE 8.—*District account.*

	Days.	Monthly pay.	Total.
20 laborers.....	365	\$30. 00	\$7, 200. 00
4 horses.....	365	12. 17	584. 80
4 carts.....	313	1. 31	62. 60
Repairs to tools.....	313	*. 30	93. 90
Total.....			7, 941. 30

\* Per day.

Average cost per day to District, \$25.37.

Comparison of the two tables shows in favor of the contract system for year the sum of \$940. The difference is explained by the increased wages paid the laborers by District, viz, \$30 per month to District laborers, and \$26 if earned by contract laborers per month of 26 days. If, however, the District could dispose of the refuse on as advantageous terms as the contractor there would be a surplus in its favor. As that can not be done, it is supposable that some disposition might be made of it that would come nearly balancing accounts. I have now gone through the various contracts, made such comparisons as I deem fair, and that seem warranted under the circumstances or as my experience in this service leads me to believe are correct.

I must, however, trespass upon your patience still further, as I deem it necessary to explain why I think a force entirely at the disposal of the District can be managed as a whole so as to somewhat reduce the expenditures, that would appear to be necessary if carried out in detail, as seemingly required by the various branches of work described. The sweeping and cleaning of the paved streets and avenues consume about three-fifths of the entire annual appropriation, and it is dealing with the labor connected with that work by which I expect to reduce the expense attached to a proper conduct of all the other work.

To pay the entire force covered by Table 2 for 313 working days would, in round numbers, cost, say, \$36,000. That is nearly \$9,000 more than is required to do the work of paved-street cleaning during the season, if work could not be done more than the average number of days, viz, 250. At the approach of cold weather the routes are generally reduced, hence there would not be required the full force of laborers, horses, and carts usual. Such portion of the force not required, being a well drilled and organized force, could be utilized, being under pay, and placed upon work that the laborers employed on the unimproved streets had been engaged upon. And those four gangs furloughed promptly at such time as the street-sweeping work was reduced in the fall, or upon any other work that might be needed, and continuing on such work until full routes were again taken up in the spring.

I can therefore fairly estimate that by the employment of such surplus force, taken from the regular street-sweeping gang, that the general expense could be reduced to just that amount now required to pay contractors for any extension of time over the 10 months, or for any extra work, for which the contractor is now paid the market rate of wages with 10 per cent added. The command of surplus labor from the street-sweeping branch, or amount of same, would of course be determined largely by the area scheduled for sweeping, for increased routes would necessitate increase of force during 8 or 9 months of the year with the necessity of retaining them the full 12.

Hence a large surplus would be on hand from which to draw, or rather to detail to other work as proposed. I wish again to call your attention to the proposition of employing all classes of labor, skilled and unskilled, by the month rather than by the day, as proposed. In fixing the rate of monthly wages I have endeavored to make a reasonable advance over that now paid under the contract system. I do not wish, however, to go on record as insisting on the rates named without explaining that I endeavored to look at the question from both the laborers' and the District standpoint.

Relative to the laborer, I concluded the monthly amount named and monthly system of employment presented advantages over daily employment, though the daily rate of wages might be higher. By the month the laborer knows just what he has to depend upon; he can regulate his expenses accordingly; bad weather has no terrors for him or those dependent upon him. If he attends to his duties faithfully he is secure in his position, and the fact that he is employed by the month causes him to feel that he is in duty bound to report for duty with a regularity that, if employed by the day, he would not be so apt to regard. Hence it induces in him a spirit of both industry and sobriety; that as a monthly employee it gives him a better standing with all with whom he may have occasion to transact business; that though the advance in wages is small, the other compensating advantages are of importance, and should be so considered.

To the District the monthly system offers the advantage of paying a fair price to all, without putting every unskilled laborer on the same footing as to daily pay, and is an inducement to those of steady and industrious habits to enter the service. Better discipline can be maintained, and a force of well-drilled men could soon be had who would take a personal interest in their work, which the man on daily pay would not. Also, that the monthly employee would not be likely to absent himself from duty with the same frequency.

I submit herewith what I believe to be a fair summary of differences between cost of present system of conducting the work under the four contracts, viz, sweeping and cleaning improved streets, sweeping and cleaning the improved alleys, work on the unimproved alleys and streets, and hand cleaning Pennsylvania avenue and other streets, and what same would be if work was done entirely by the District directly:

Contract system:

Cleaning improved streets and avenues .....	\$757. 75
Hand cleaning Pennsylvania avenue and other streets .....	940. 00
	<hr/>
	1,697. 75

Favor of District:

Cleaning improved alleys .....	\$388. 73
Cleaning unimproved streets and alleys .....	402. 00
	<hr/>
	790. 73

Balance against District .....	907. 02
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The general balance shows \$907.02 against the change, which is an insignificant sum when it is taken into consideration that wages have been increased and the general condition of the laborer bettered. Further, that even that amount can be counterbalanced by the certainty that the surplus labor from the street sweeping gang (estimate for whom covers the full year, see Table 2) during the winter months can be used, as heretofore stated, to do all extra work now given to contractors. Of course if a higher rate of wages should be fixed than herein stated, then the cost of work to District would be advanced accordingly.

In submitting estimate cost of plant necessary to conduct the entire work of sweeping and cleaning the streets and alleys, and all other works usually connected with this service, I rely on my general knowledge of prices obtained during several years' connection with the street-cleaning work, and inquiries made of others. I believe them, however, to be approximately correct. I should have preferred to have submitted prices obtained from manufacturers and others, did time permit. I wish to say, also, that machinery, appliances, etc., estimated for are as a whole the same, as to character and kind, as are now in use. Others may be ultimately adopted, and may either cost more or less.

*Estimated cost of plant.*

20 two-horse side sweepers, \$325 each.....	\$6, 500
75 carts, extra size, \$40 each.....	3, 000
7 two-horse sprinklers (street work), \$450 each.....	3, 150
3 one-horse sprinklers (for alleys), \$100 each.....	300
145 horses for machines, sprinklers, carts, and buggies, \$125 each.....	18, 125
80 sets cart harness, \$10 each.....	800
30 sets double harness, for sprinklers and machines, \$20 each.....	600
3 sets single harness, for one-horse sprinklers, \$10 each.....	30
8 sets single harness, for buggies, \$18 each.....	144
2 double wagons, \$75 each.....	150
3 scrapers, \$200 each.....	600
3 snow plows, \$50 each.....	150
For tools to commence work—hoes, brooms, shovels, etc.....	300
<b>Total.....</b>	<b>33, 849</b>

*Estimate of annual cost for running expenses.*

145 horses, feed, shoeing, and grooming, 40 cents per day, 365 days.....	\$21, 170
1 blacksmith, \$60 per month.....	720
1 wheelwright, \$60 per month.....	720
1 broom-maker, \$60 per month.....	720
1 general superintendent stables, \$100 per month.....	1, 200
1 assistant superintendent stables, \$75 per month.....	900
20 machine drivers, \$50 per month.....	12, 000
7 sprinklers, \$50 per month.....	4, 200
3 sprinklers for alleys, \$35 per month.....	1, 260
9 leaders, hoe, and broom men, \$32.50 per month.....	4, 680
84 hoe and broom men, \$30 per month.....	30, 240
32 hoe and broom men (10 months), \$30 per month.....	9, 600
10 leaders, cart gangs, \$35 per month.....	4, 200
45 cart drivers, \$32.50 per month.....	17, 550
8 cart drivers (10 months), \$32.50 per month.....	2, 600
9 dumpmen, \$37.50 per month.....	4, 050
3 dumpmen, \$32.50 per month.....	1, 179
12 stablemen (extra), \$30 per month.....	4, 320
Brooming 20 machines each week for 43 weeks, at \$3.50 per week.....	3, 010
Brooms, scoop shovels, and hoes.....	2, 325
Straw for bedding horses.....	900
Repairs (purchase for material, no labor).....	2, 000
Rent of stable and grounds, \$125.....	1, 500

Contingent expenses plant.....	\$2,000
General supervision, superintendent, assistant superintendent, clerk, inspectors, assistant inspectors, and messenger.....	23,360
Office contingent expenses.....	500
Total .....	156,904
Cost of plant brought forward.....	33,849
Grand total.....	190,753

Very respectfully,

A. G. McKENSIE, *Superintendent.*

Hon. JOHN W. ROSS,  
*President District Columbia Commissioners.*

Approved April 11, 1896.

JOHN W. ROSS,  
*Commissioner, District Columbia.*

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